



Corporate Express Australia Limited
(ABN 94 000 728 398)

SUPPLEMENTARY TARGET'S STATEMENT NO. 2

This document is the Second Supplementary Target's Statement issued by Corporate Express Australia Limited ("Corporate Express") in relation to an off-market takeover bid for Corporate Express Shares by Staples Australia Pty Ltd ("Staples Australia"), a wholly owned subsidiary of Staples, Inc.

This Second Supplementary Target's Statement supplements and is to be read together with both the Target's Statement issued by Corporate Express on 19 April 2010 and Supplementary Target's Statement issued by Corporate Express on 20 April 2010 (together, the "Target's Statement"). Words defined in the Target's Statement have the same meaning in this Second Supplementary Target's Statement unless the context requires otherwise. This Second Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement.

A copy of this Second Supplementary Target's Statement has been lodged with ASIC. Neither ASIC nor any of its officers takes any responsibility for the contents of this Second Supplementary Target's Statement.

This Second Supplementary Target's Statement should not be taken as personal financial advice, as it does not take into account the individual investment objectives, financial and taxation situation or particular needs of each Corporate Express Shareholder. You wish to obtain independent financial and taxation advice before making a decision whether or not to accept the Offer.

Summary

Corporate Express Australia Limited (Corporate Express) has received a favourable draft Class Ruling¹ from the Australian Tax Office (ATO) that would enable Corporate Express to pay a fully franked dividend to its shareholders.

Special Dividend

Staples Australia Pty Limited (Staples Australia) is offering \$5.60 in cash for each fully paid ordinary share (Share) in Corporate Express (Offer). After the Offer was announced, Corporate Express sought an Australian tax ruling to facilitate the payment of a fully franked special dividend (Special Dividend) of up to 78 cents per Share (but it be less than that amount). The Special Dividend will only be determined if Corporate Express is confident the Offer will become unconditional.

ATO Draft Ruling

Staples Australia has advised Corporate Express that:

1. it intends to establish an Institutional Acceptance Facility (IAF) to facilitate institutional shareholder acceptances of its Offer;
2. it encourages shareholders to accept the Offer as soon as possible. Staples Australia will agree to Corporate Express announcing the record date for the special dividend as soon as Staples Australia receives acceptances that, together with its initial stake, total 90% (Announcement). It agrees to provide funding for the special dividend upon Corporate Express announcing the record date in accordance with Staples' agreement above;
3. it proposes to declare the offer unconditional no later than 15 days after the Announcement. The Offer price will be reduced by the amount of the Special Dividend.

Corporate Express notes that at this time, Staples Australia retains its rights under the terms of its Offer.

The draft Class Ruling outlines in further detail, amongst other issues, when a Corporate Express shareholder will be considered to satisfy the relevant "holding period" tests with respect to the Special Dividend under the "45 Day Rule". Attached is a summary of the draft ruling.

¹ In particular, Shareholders should note that the ATO's current practice is that while it may issue a draft Class Ruling prior to completion of the Offer, it will not issue a final Class Ruling until the transaction is completed. The ATO also states that the draft Class Ruling cannot be relied upon and it is only when the Class Ruling is published by the ATO and the notice appears in the Commonwealth Gazette that the Class Ruling may be relied upon.

Shareholders should read the Target's Statement for more detailed information on the Offer and the payment of the Special Dividend.

As previously stated, it is recommended that each Corporate Express shareholder seek their own taxation and financial advice applicable to their own specific circumstances.

This Second Supplementary Target's Statement has been approved by a resolution passed by the Directors of Corporate Express.

This Second Supplementary Target's Statement is dated 26 May 2010, which is the date on which it was lodged with ASIC.

SIGNED for and on behalf of Corporate Express Australia Limited



Ms Kathleen Forbes

Company Secretary

SUMMARY OF DRAFT ATO RULING

The draft Class Ruling if issued in final form will confirm eligible shareholders are entitled to a franking credit tax offset from any fully franked Special Dividend that is paid.

The draft Class Ruling outlines in further detail when a shareholder will be considered to satisfy the "45 Day Rule" with respect of the Special Dividend. Consistent with Corporate Express' announcement on 7 May 2010, the effect of the draft Class Ruling is that the dividend will be fully franked in the hands of a shareholder if a shareholder holds the Shares "at risk" for 45 consecutive days immediately prior to the ex-dividend date for tax purposes which is the day after the Special Dividend Record Date.

If, for example, the Special Dividend Record Date is set as 21 June 2010, then a person who acquired Shares prior to 8 May 2010 and holds the Shares "at risk" over the above mentioned period should be able to satisfy the "45 Day Rule" if they accept the Offer. For shareholders who dispose of their shares under a compulsory acquisition process, franking credits should be available if they hold their shares for 45 consecutive days prior to the compulsory acquisition date. Ultimately, the outcome will depend on the shareholder's specific circumstances.

The draft Class Ruling also provides further details as to the calculation of capital proceeds received for Capital Gains Tax purposes in connection with a disposal of shares. It confirms that the capital proceeds received by each participating shareholder for each share disposed of is \$5.60 and is not reduced by the amount of Special Dividend. However, where a capital gain is made, that capital gain may be reduced to the extent of the Special Dividend.